

**The Land Between
Financial Statements
For the year ended March 31, 2018**

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Management's Responsibility for Financial Information

The financial information and all information contained in this annual report were compiled by the management of the The Land Between, which is responsible for the integrity and fairness of the information presented. The information provided herein has, in the opinion of management, been prepared using appropriate accounting policies; and is based on informed judgments and estimates of the expected effects of current events and transactions that are in accordance with Canadian generally accepted accounting principles.

Management maintains the necessary system of internal controls to provide reasonable assurance that transactions are authorized, assets safeguarded and proper records maintained.

The Board of Directors oversees management's responsibilities for the financial statements. The Board of Directors conducts a review of the financial statements with management and the external auditors before recommending their approval. The Board of Directors reviews all related party transactions and ensures any such transactions that might materially affect the stability or solvency of the organization are identified and reported to the Board. Ultimately, and notwithstanding management's role, it is the Board of Directors that is accountable for the operations of the organization. The Board of Directors is composed entirely of directors who are neither management nor employees of the organization.

Steven C Bark Professional Corporation, external auditors appointed by the Board of Directors, have examined the financial statements of the organization in accordance with Canadian accounting standards for not-for-profit organizations. The auditors have full and free access to, and meet as deemed required with, the Board of Directors and management to discuss their audit and matters relating to financial statement presentation, internal controls and audit procedures.

Leora Berman
Chief Operating Manager
Peterborough, ON
July 20, 2018

Gary Williams
Director
Peterborough, ON
July 20, 2018



STEVEN C BARK PROFESSIONAL CORPORATION

CHARTERED PROFESSIONAL ACCOUNTANTS

Independent Auditor's Report

To the Board of Directors of The Land Between

Report on Financial Statements

We have audited the accompanying financial statements of The Land Between, which are comprised of the statement of financial position as at March 31, 2018, and the statements of fund balances, revenues and expenses, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Qualified Opinion

The Land Between derives a material amount of revenue from donations and merchandise sales. We were not able to obtain sufficient appropriate audit evidence about the completeness of the reported amounts for donation and merchandise revenues and the accuracy and classification of merchandise revenues. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.

Qualified Opinion

Except as noted in the above paragraph, in our opinion, the financial statements present fairly, in all material respects, the financial position of The Land Between as at March 31, 2018 and its financial performance and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

CPA, CA

Steven C Bark Professional Corporation

Authorized to Practise Public Accounting by

the Chartered Professional Accountants of Ontario

Peterborough, ON

July 20, 2018

The Land Between Statement of Financial Position

March 31

2018

2017

Assets

Current

Cash - Notes 6, 16 and 17	\$ 15,846	\$ 51,125
Accounts receivable - Notes 7, 16 and 18	9,498	21,411
	<u>\$ 25,344</u>	<u>\$ 72,536</u>

Liabilities and Net Assets

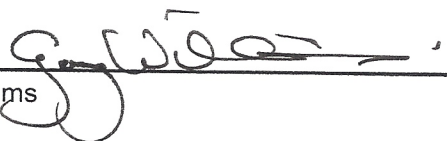
Current

Accounts payable and accrued liabilities - Notes 16 and 20	\$ 2,064	\$ 25,292
Deferred revenue - Notes 10, 21 and 23	-	26,573
	<u>2,064</u>	<u>51,865</u>

Net Assets

<u>23,280</u>	<u>20,671</u>
<u>\$ 25,344</u>	<u>\$ 72,536</u>

On behalf of the Board:


 _____ Director
 Gary Williams

The accompanying notes are an integral part of these financial statements



The Land Between Statement of Net Assets

<u>For the year ended March 31</u>	<u>2018</u>	<u>2017</u>
Balance - beginning of the year	\$ 20,671	\$ 18,161
Excess of Revenues over Expenses	2,609	2,510
Balance - end of the year	\$ 23,280	\$ 20,671

The accompanying notes are an integral part of these financial statements

The Land Between Statement of Revenues and Expenses

For the year ended March 31	2018	2017
Revenues		
Donations	\$ 5,827	\$ 1,083
Memberships	1,009	150
Merchandise, books and DVD sales	4,366	6,261
Special projects - grants and contributions - Note 22 and 23	93,688	195,307
Workshops and events	3,065	968
	<u>107,955</u>	<u>203,769</u>
Expenses		
Administrative		
Bank charges and interest	118	50
Human resources staffing	2,270	-
Insurance	1,475	1,475
Office	6,640	3,096
Professional fees	4,210	4,316
	<u>14,713</u>	<u>8,937</u>
Outreach		
Advertising and promotion	2,112	3,238
Meeting and catering	2,948	272
	<u>5,060</u>	<u>3,510</u>
Special Projects		
Advertising and promotion	11,112	9,995
Blueway greenway	46	28,879
Contractor services	9,701	41,471
Honorariums	5,714	2,036
Human resources staffing	37,582	76,753
Internet and communications	686	2,493
Office and supplies	5,564	19,159
Publications and printing	6,992	1,800
Travel and workshops	8,176	6,226
	<u>85,573</u>	<u>188,812</u>
Total Expenses	<u>105,346</u>	<u>201,259</u>
Excess Of Revenues Over Expenses	\$ 2,609	\$ 2,510

The accompanying notes are an integral part of these financial statements

The Land Between Statement of Cash Flows

For the year ended March 31

2018

2017

Cash Flows from Operating Activities

Net income	\$ 2,609	\$ 2,510
Changes in non-cash working capital balances		
Accounts receivable	11,913	852
Accounts payable and accrued liabilities	(23,226)	11,020
Deferred revenue	(26,573)	26,573
Increase / (Decrease) in Cash	(35,277)	40,955
Cash - net - beginning of the period	51,125	10,170
Cash - net - end of the period	\$ 15,848	\$ 51,125

The accompanying notes are an integral part of these financial statements

The Land Between Organization Information and Significant Accounting Policies

March 31, 2018

1. Legal Structure and Mission

The Land Between was incorporated by Letters Patent without share capital under the provisions of the Canada Corporations Act on June 13, 2011, and began operations in May of 2012.

The organization has defined its mission as follows:

- a) to protect, preserve, and conserve the ecotone along the southern edge of the Canadian shield from southern Georgian Bay to the Frontenac axis north of Kingston - "the land between";
 - b) to conduct research into social, economic, environmental and cultural issues that are relevant to the land between, and disseminating the results of such research to the public;
 - c) to convene conferences, seminars and workshops for the benefit of the public on social, economic, environmental and cultural issues that are relevant to the land between; and
 - d) to convene meetings of the public for the purpose of exchanging knowledge about best practices for preserving, conserving, and restoring the land between.
-

2. Accounting Standards

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and are in accordance with Canadian generally accepted accounting principles.

3. Financial Instruments

a) Measurement

The company initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions. Subsequently, the company measures all its financial assets and financial liabilities at amortized cost. Changes in fair value are recognized in net income.

Financial assets measured at amortized cost include cash and accounts receivable. Any decline in value of these assets are written-off to income of the current year's operations.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities. Any decline in value of these liabilities are adjusted to income of the current year's operations.

b) Impairment

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in net income. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in net income.

c) Transaction Costs

The company recognizes its transaction costs in net income in the period incurred. However financial instruments that will not be subsequently measured at fair value are adjusted by the transaction costs that are directly attributable to their origination, issuance, or assumption.



The Land Between Organization Information and Significant Accounting Policies

March 31, 2018

4. Management Estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period.

Difference in actual results from prior estimates are taken into account at the time the differences are determined.

5. Contributed Services and Materials

Volunteers contribute a significant number of hours to help the organization accomplish its mission. The monetary value of such services are not recognized in the accounts because of the difficulty in determining the fair value of those contributions.

Materials contributed to the organization are recognized in the accounts only if a fair market value is determinable and if the organization would otherwise have purchased those items in the normal course of its activity.

6. Cash Equivalents

Cash and cash equivalents are defined as cash, bank accounts and overdrafts, and short-term cashable deposits.

7. Accounts Receivable

Accounts receivable includes amounts owing by the funder for approved expenditures incurred in the current year.

8. Capital Assets

Capital assets are expensed at acquisition in accordance with not-for-profit accounting guidelines.

9. Income Taxes

As the organization qualifies as a not-for-profit entity as defined by the Federal and Ontario Income Tax Acts, it is not subject to federal and provincial income taxes.

10. Deferred Revenue

Deferred revenue includes an amount which represents an excess of funding received for specific programs over expenditures made to the year-end for those programs. [also see Note 11]



The Land Between Organization Information and Significant Accounting Policies

March 31, 2018

11. Revenue Recognition

For donations and government grants the organization follows the deferral method of accounting for contributions. Unrestricted contributions, and restricted contributions made without reference to specific expenditures of programs, are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. [also see Note 10]

The fundings from memberships, merchandise sales, and other fundraisers are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.



The Land Between Financial Instruments Analysis

March 31, 2018

The organization's financial instruments consists of cash and bank accounts, accounts receivables, and accounts payable and accrued liabilities. The financial instruments are subject to several types of risk, the main components being:

12. Fair Value Risk

The carrying values of all the financial instruments approximates their fair values due to their short-term realization or maturity period.

13. Credit Risk

Credit risk arises from the potential that a counterparty will fail to perform its obligation. The company is exposed to that risk from its funders. Due to the nature of the organization, the credit risk is minimized by the signed contracts received prior to beginning the programs in question.

14. Liquidity Risk

Liquidity risk is the risk that the company cannot meet its obligations to its creditors when they come due. The company reduces its exposure to liquidity risk by looking for new funding programs available through government agencies or other non-profit organizations, and constantly monitors cash inflow and outflow activity.

15. Changes in Risk

There have been no significant changes in the company's risk exposures from the prior year.



The Land Between Notes to the Financial Statements

March 31, 2018

16. Financial Instruments

The definition of the organization's financial instruments, and the basis of value at which they are carried, is disclosed in Note 3(a).

17. Banking Security

The organization's credit card is required to be secured by a bank account with a minimum balance of \$2,000 - equal to the card's credit limit. That minimum balance was maintained throughout the year.

18. Accounts Receivable

All of the amounts in accounts receivable are in the normal course of operations, for which the organization has not set up an allowance for uncollectible accounts [2017: nil].

19. Inventory

Promotional inventory purchased and expensed during the year is \$ 2,112 [2017: \$1,330].

20. Accounts Payable and Accrued Liabilities

All of the amounts in accounts payable are trade liabilities or accruals in the normal course of business. There are no statutory deductions payable.

21. Deferred Revenue

Deferred contributions are comprised of unspent operating grants. The availability of these funds in future periods is ultimately dependant upon various funding bodies.

	2018	2017
Beginning balance	\$ 26,573	\$ -
Add: Amount received/receivable	67,065	89,193
Less: Amounts recognized as revenue - see Note 22	93,638	62,620
Ending balance	\$ -	\$ 26,573



The Land Between Notes to the Financial Statements

March 31, 2018

22. Special Projects Grants and Contributions

The organization often signs contracts the funding of which is subject to deferral according to the terms of the agreement and the organization's revenue recognition policy. Revenue recognized in the current year from such contracts is as follows:

	2018	2017
Ministry of Natural Resources and Forestry	\$ -	\$ 61,811
Ministry of Citizenship and Immigration	88,638	62,620
Environment Canada	-	28,325
Wildlife Habitat Canada	-	14,600
National Wetland Fund	-	22,590
Corporate donations	5,000	-
Other	50	5,361
	<hr/>	<hr/>
	\$ 93,688	\$ 195,307

23. Prior Period Adjustment

A corporate donation in March 2017 for Blue Water Community Action projects to be undertaken in the summer of 2017 [ie. in the 2017/2018 fiscal year] was recognized as revenue in the financial statements of the 2016/2017 fiscal year. That donation revenue should have been deferred to the 2017/2018 fiscal year to match the revenue with the expenses of the project.

The 2017 amounts of the financial statements have been restated to remove that donation from the Statement of Revenue and Expenses, and disclose it in deferred revenue on the Statement of Financial Position. The 2018 amounts of the financial statements have recognized that donation in revenue.

